

that they will fall within the provision exempting lessors of only part of a public facility. The bill would have removed the technical cause of this subterfuge, without changing the exemption already extended to the sports teams, he said.

Manufacture of gambling machines for out-of-state sale
(SB 765 by Harris)

DIGEST: Under Tex. Penal Code sec. 47.06, it is a third-degree felony to manufacture in Texas any device designed for gambling. SB 765 would have legalized the in-state manufacture or sale of gambling devices if they were to be shipped out of state to a place where their use is legal.

GOVERNOR'S
REASONS
FOR VETO:

The Governor said enactment of SB 765 would "set a bad precedent and would be bad public policy in our state where the use of such machines is illegal."

SPONSOR'S
VIEW:

"It's dumb," Sen. Harris said of Gov. White's veto. The bill, he said, would have provided an affirmative defense for the lottery-machine manufacturer near Dallas who was recently no-billed by a grand jury on charges of manufacturing gambling devices. With this veto, the manufacturer, who employs 225 people directly and accounts for more jobs indirectly, remains open to indictment. "A lot of people called him and said, 'Come to our state; we won't indict you,'" Harris said. "He's already moving part of his operation to Michigan. That's 50 to 100 jobs we're losing right there."

NOTES:

The House Study Group analysis of SB 765 appeared in the May 22 Daily Floor Report.

Municipal regulation of taxicabs
(SB 1081 by Whitmire)

DIGEST: The bill would have authorized municipalities to license and regulate taxicabs, their rates and insurance. Regulation could also have controlled taxicab services' entry into business in a particular municipality.

GOVERNOR'S
REASONS
FOR VETO:

The Governor objected to the bill's language authorizing municipalities to act "on behalf of the state as sovereign." He said the bill could be construed as authorizing municipalities to act as agents of the state in performing their regulatory responsibilities. As such, the bill represented "bad precedent and a dangerous delegation of authority," he said.

SPONSOR'S
VIEW:

Sen. Whitmire had no comment on the veto.

Insurance Board procedures in routine matters
(SB 1126 by Glasgow)

DIGEST:

The Insurance Code allows the State Board of Insurance to establish notice procedures less stringent than those required by the Administrative Procedure Act for processing routine matters. At a minimum these alternative notice procedures require that actual notice be given to the parties involved and that notice be posted in a public area of the agency for not less than five days prior to the proposed action. SB 1126 would have eliminated the posting requirement and required notice to the parties involved not later than five days before the proposed action.

GOVERNOR'S
REASONS
FOR VETO:

The Governor said that people have the right to participate in the decision-making process of the state even on proceedings the State Board of Insurance characterizes as routine. He said the bill could have restricted citizens' right of access to information.

SPONSOR'S
VIEW:

Sen. Glasgow was unavailable for comment.

Sunnyvale Municipal Utility District No. 1
(SB 1225 by Leedom)

DIGEST:

SB 1225 would have created a conservation and reclamation district in Dallas County, the Sunnyvale Municipal Utility District No. 1, with full authority to issue bonds and levy taxes. The bill described the district boundaries and gave the district all rights, powers, privileges, authority, and functions conferred